1949 77 YEARS 2026 Burns Brothers Financial Group

Happy New Year!

Preparing for the 2025 tax season, you will see that several new federal tax changes have taken effect that will impact individual tax returns. Below is a high-level summary of key updates. Please note that these are federal changes; they do not automatically update state tax laws.

2025 Tax Highlights

Tax Brackets and Rates: Tax brackets introduced in 2017 are now permanent, income levels adjusted for inflation.

Standard Deduction: Higher standard deductions have been made permanent.

For tax year 2025: Single or Head of Household: $15,750; and Married Filing Jointly: $31,500

Child Tax Credit: Permanently increased to $2,200 per qualifying child and indexed for inflation going forward.

State and Local Tax (SALT) Deduction: The cap temporarily increases from $10,000 to $40,000 for married couples filing jointly, with phaseouts for higher-income taxpayers.

New Temporary Deductions (2025–2028)

Tips Deduction: Up to $25,000 in qualified tips; phases out at higher income levels.

Overtime Deduction: Up to $12,500 (or $25,000 for joint filers) for qualified overtime pay, subject to income limits.

Vehicle Loan Interest Deduction: Deduct up to $10,000 interest paid on qualified new personal-use vehicles.

Senior Deduction: Additional $6,000 deduction for each taxpayer aged 65 or older, with income based phaseouts.

Credits and Subsidies Ending

Clean Vehicle Credits: Ended Sept. 30, 2025 ($7,500 for new EVs / $4,000 for used EVs).

Energy Efficient Home Improvement Credits: Eligible improvements (e.g., windows, furnaces, heat pumps) had to be installed and placed in service by Dec. 31, 2025.

Residential Clean Energy Credit: Solar panels/battery systems had to be installed and operational by Dec. 31, 2025.

Affordable Care Act (ACA) Enhanced Subsidies: Set to expire Dec. 31, 2025, unless extended by new legislation.

**Enclosed, you'll find the 2025 BBFG Tax Organizer to help you prepare your documents.
You can also visit www.my1040pro.com/bbfg for additional tax-related information.**

We're pleased to share that we've recently made significant upgrades to our systems and enhanced the security of all client data. These investments strengthen our ability to handle your sensitive tax and financial information efficiently and securely. To support these improvements—along with rising operational costs and our ongoing commitment to providing high-quality service—**our tax preparation fees will increase for the upcoming tax season**.

We look forward to working with you. Please call to schedule an appointment, or feel free to drop off or mail in your tax information. If you prefer to drop off or mail your documents, there's no need to call in advance. To help us manage our workload during this hectic period, we ask that you drop off your documents by March 31st to minimize the risk of requiring an extension to be filed. The sooner the better!

Prior to January 26th, reception hours are:

Monday-Friday	8:00am – 4:30pm

January 26th - April 15th, reception hours will be:

Monday-Thursday	8:00am – 8:00pm
Friday	8:00am – 6:00pm
Saturday	8:00am – 4:00pm

Thank you for your business, referrals, and trust.

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